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Serial No. 09/804667
Docket No. 37168-82320

DEC 15 2006

**** REASONS FOR AMENDMENTS AND REMARKS ****

In response to the Office Action dated November 3, 2006, Claims 17, 23, 24, 25 and 30 have been amended, and Claim 31 has been canceled. For the reasons discussed in the telephone interview as summarized below, Applicants respectfully submit that the claims as amended are patentable over U.S. Patent No. 5,933,815 to Golden ("Golden").

In the Office Action, the Examiner rejected independent Claim 17 and dependent Claims 18-21, 23-24, 26-29, 30-31 and 35 as being obvious in view of Golden. Claim 32 was rejected as being obvious in view of Golden when combined with the newly cited Mody reference.¹

In numbered paragraph 5, on page 4 of the Detailed Action, the Examiner acknowledges that Golden does not explicitly disclose "providing a guarantee that said withdrawals will continue to be paid for a specified time period, provided that the rate of said withdrawals does not exceed the maximum withdrawal rate, even if the account value is exhausted before the end of the specified time period." However, the Examiner notes that Golden does disclose a method which provides guaranteed withdrawals or payments for a specified time period. In the telephone interview, the undersigned expressly agreed with this statement as it relates to payments, because the financial instruments into which the initial contribution of assets is invested (i.e., GIROs and a life contingent annuity ("LCA")) are guaranteed instruments. The undersigned further acknowledged that Golden allows for withdrawals from that portion of the investor's funds which are invested in the GIROs.

With respect to such withdrawals, the Examiner notes in the third and fourth sentences of numbered paragraph 5 that "Golden states that the withdrawals must be partial

¹ In the Detailed Action, the Examiner is silent as to the status of dependent Claims 22, 25 and 33-34. These claims all depend, either directly or indirectly, from independent Claim 17. To the extent independent Claim 17, as currently amended, distinguishes over Golden, these claims will be allowable. Otherwise, clarification as to the status of these claims is respectfully requested.

Serial No. 09/804667
Docket No. 37168-82320

withdrawals. A partial withdrawal will leave an amount in the account, which the computer program has determined will allow continued payments.” Again, Applicant and the undersigned agree with the Examiner’s characterization of these withdrawals as “partial withdrawals.” That is true in part because withdrawals can be made only from that portion of the investor’s initial contribution of assets invested in the GIROs. No withdrawals can be made from that portion of the initial contribution invested in the LCA. The Examiner’s interpretation of Golden also indicates that these withdrawals are also “partial” in the sense that Golden’s computer program will require that some amount always remain the GIROs account to be redistributed so as to continue adjusted periodic payments throughout the period preceding the LCA period. Thus, it is agreed that the withdrawals in Golden must indeed be partial withdrawals.

The Examiner’s interpretation of Golden in this regard, which forms the basis for the new grounds of rejection in this latest Office Action, highlights a distinction which exists between Applicants invention and the Golden system. That distinction was previously not emphasized in independent Claim 17, but is the focus of the present amendments to that claim. Specifically, this distinction relates to the nature of the withdrawals that are allowed in the method of the present invention. In contrast to the partial withdrawals allowed by Golden, the method of amended Claim 17 provides that the account owner may make withdrawals from the annuity account which are of two types: 1) greater than a specified withdrawal rate, up to and including the entire account value; and 2) less than or equal to the specified withdrawal rate. Step c of independent Claim 17 has been amended to more specifically and explicitly recite this distinction. The guarantee provided in subparagraph d of Claim 17 (which the Examiner has acknowledged is not explicitly disclosed by Golden) is conditioned upon the withdrawals being of the second type prior to the time the account value is exhausted.²

Another change to independent Claim 17 (reflected as well in dependent Claims 23, 24 and 30) is replacement of the word “maximum” before “withdrawal rate” with the word “specified.” As originally used, the word “maximum” was meant to convey a “maximum

² Unlike Golden, the account value can be exhausted because the underlying assets may be invested in market securities which are not guaranteed instruments, resulting in potentially higher returns, but inherently more risk, for the investor.

Serial No. 09/804667
Docket No. 37168-82320

withdrawal rate" that was consistent with preserving the subject guarantee. However, since the account owner can, in fact, make withdrawals that are greater than this "maximum" rate, Applicants and the undersigned felt that the term "maximum withdrawal rate" was somewhat of a misnomer and should be replaced by the term "specified withdrawal rate."

In numbered paragraph 6 of the Detailed Action, the Examiner reaffirms the previous rejections of dependent Claims 18-21, 23-24, 26-29, 30-31 and 35, notwithstanding Applicants previous arguments. Applicants respectfully disagree and expressly reassert the previous arguments made in connection with these claims. However, since all of the referenced claims depend directly or indirectly from amended Claim 17, and since Applicants are confident that the latest amendments clearly distinguish Claim 17 from the interpretation of Golden set forth in number paragraph 5, these questions are moot.

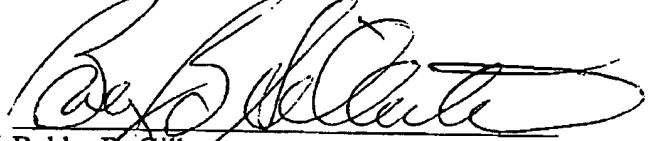
With respect to the Examiner's rejection of Claim 32, Applicants respectfully submit that the "charges" or "guarantees" described by Mody are of a different nature and type than the charges and guarantees referred to in the present application. Specifically, Mody is concerned with loan guarantees, sometimes provided by governments for policy reasons. In the context of an annuity, and more specifically in the context of features for annuities which have not previously been offered, charging or not charging fees involve altogether different considerations. In any event, since dependent Claim 32 depends from currently amended Claim 17, this issue is also considered moot in view of the amendments to the independent claim.

The undersigned wishes to express again appreciation for the Examiner's time and consideration in the telephone interview of December 14. The discussions during that interview, as summarized above, were helpful to the undersigned in the preparation of this response.

Serial No. 09/804667
Docket No. 37168-82320

To the extent necessary, a petition for an extension of time under 37 C.F.R. §1.136 is hereby made. To the extent additional fees are required, please charge the fees due in connection with the filing of this paper, including extension of time fees, to Deposit Account No. 02-1010 (37168/82320) and please credit any excess fees to such deposit account.

Respectfully submitted,



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